NACo Legislative Bulletin

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House Passes TEA-LU

The House on April 2, passed H.R. 3550, the reauthorization of the highway and transit program, known as Transportation Equity Act: A Legacy for Users (TEA-LU). The vote was 357-65 and occurred after two days of debate on the bill and 20 plus, mostly minor, amendments. The bill includes $217 billion for highways, $51 billion for transit, and $6 billion for highway safety programs.

Efforts to increase the overall size of the reauthorization failed as did an amendment sponsored by donor state representatives who were unhappy with the 90.5 percent minimum guarantee, a level unchanged from current law. One amendment that did pass was a NACo supported effort offered by Representative Eddie Bernice Johnson of Texas. The amendment provides that the US Department of Transportation make information on how federal transportation dollars are spent, available to the public on the internet and in an understandable format.

The final House bill maintains the basic structure of the highway and transit programs. It includes a new rural road safety program, a new highway safety block grant program and a new safe schools transportation program. Many roads owned by county governments will be eligible for federal funding under these new programs. Of vital importance is an increase in the off-system bridge set aside from 15 percent of a states federal bridge funding to 20 per cent, a change that could mean millions of dollars to counties. The House bill includes a section on environmental streamlining that should make the project approval process move more quickly. There are almost 2900 special projects in H.R. 3550, totaling over $9 billion. Of some concern to NACo is that the higher level of project funding in the House bill translates into less funding for the core highway programs that are distributed by formula.

The bill now goes to a House-Senate conference committee, which will determine the final program, including funding levels. The Senate's bill is $318 billion versus the House level of $275 billion and, with a threat of a presidential veto if a final bill exceeds $256 billion the funding outcome is far from clear. (Contact: Bob Fogel 202/942-4217 or bfogel@naco.org) [Back to the top]

Public Lands Budget Provisions—*ACTION NEEDED!*

Both the House and Senate have named conferees to the Conference Committee on the 2005 Budget Resolution. They are: Senate Budget Committee Chairman Don Nickles (R-OK.); Sen. Pete Domenici (R-N.M.); Sen. Chuck Grassley (R-Iowa); Sen. Judd Gregg (R-N.H.); Ranking Member Kent Conrad (D-N.D.); Sen. Fritz Hollings (D-S.C.); Sen. Paul Sarbanes (D-MD.); House Budget Committee Chairman Jim Nussle (R-Iowa); Rep. Rob Portman (R-Ohio) and Ranking Member John Spratt (D-S.C.).

Two provisions important to public lands counties are at stake in the negotiations between the two chambers. The Senate version of the Budget Resolution contains language that would allow the USDA Forest Service and the Department of the Interior to spend money fighting wildland fires without borrowing from their appropriated operating accounts. When confronted by a severe fire season, as has been the case in recent years, the amounts for fire suppression have not been sufficient. The agencies have been forced to borrow money from accounts intended for projects that reduce the risk of fire as well as post-fire restoration and other activities important to rural, public lands counties. The Senate fix would allow the fire-fighting work to proceed without hampering other critical land-management activities.

The second provision important to public lands counties is related to the PILT program. The report accompanying the House version of the Budget Resolution includes language indicating that the amounts allocated to the "General Government Function" would allow for the full funding of the Payment in Lieu of Taxes (PILT) program.

Ask your Senators and Member of Congress to urge the budget conference to include the Senate wildfire provisions and the House PILT report language in the final conference report. (Contact: Paul V. Beddoe 202/942-4234 or pbeddoe@naco.org) [Back to the top]

NACo Offers Testimony on HUD Appropriations

NACo, the U.S. Conference of Mayors (USCM) and other local government groups submitted testimony on FY 2005 funding levels for the U.S. Department of Housing & Urban Development. The Honorable James A. Garner, USCM President, testified on behalf of NACo, USCM, the National Association of Local Housing Finance Agencies and the National Community Development Association.

In the testimony, NACo called for formula funding for CDBG in the amount of $5 billion, along with HOME funding in the amount of $2.25 billion. The testimony noted NACo's strong opposition to OMB's assessment of CDBG as "ineffective," and mentioned that this year marks the 30th anniversary of CDBG and its commitment to improving communities across the country. The testimony also mentions NACo's opposition to the elimination of several economic development programs, such as the brownfields program, the Section 108 loan guarantee program, the rural housing and economic development program, and HOPE VI.

The testimony commended the Administration on its commitment to homeownership opportunities, including the additional money provided through HOME for downpayment assistance. (Contact: Cassandra Matthews 202/942-4204 or cmatthew@naco.org) [Back to the top]

Department of Education Changes Participation Rate Requirements in No Child Left Behind

Secretary of Education Rod Paige announced this week that the department is making two changes to the procedure for calculating the participation rates in required state tests under the No Child Left Behind Act (NCLB). The first change would allow schools to use a three-year average participation rate so that they are not penalized for a short-term dip in the assessments. The second change would allow schools to exclude from the participation rate those students who cannot take the test due to medical emergencies. The law requires that 95 percent of all students and subgroups of students participate in the state annual assessment of student achievement. These assessments form the basis for determining whether a school is in "need of improvement". The changes were announced at the National School Boards Association Conference. This is the fourth time this year that the Department announced changes to (NCLB) regulations. (Contact: Marilina Sanz 202/942-4260 or msanz@naco.org) [Back to the top]

Controversial Bill to Regulate Fannie Mae, Freddie Mac Introduced

Sen. Richard Shelby (R-La.), Chairman of the Senate Banking, Housing & Urban Affairs Committee, introduced and marked up legislation this week designed to provide oversight over the nation's government sponsored enterprises (GSE's). The GSEs are commonly known as Fannie Mae and Freddie Mac. The legislation also covers oversight of the Federal Home Loan Bank System. The Federal Housing Enterprise Regulatory Reform Act of 2004 seeks to create an independent entity that would have the mission of ensuring the safety and soundness of the GSEs and Federal Home Loan Banks.

Of concern to many groups in the housing industry are provisions in the bill that would grant the regulator entity the power the place the GSEs in receivership, a feature that is not included in the current regulatory scheme of the GSEs. Receivership is often a signal that a company is about to be dissolved, and granting a regulator such powers may negatively impact the GSEs' ability to do business. The Senate Banking Committee voted along party lines on April 1 to adopt the bill, but it appears to stand little chance of going any further. (Contact: Cassandra Matthews 202/942-4204 or cmatthew@naco.org) [Back to the top]

House Approves a Systematic Approach to Fighting Crime

On March 30, the House of Representatives adopted by voice vote bipartisan legislation that creates a new systematic approach toward combating crime. Action on the measure now shifts to the Senate.

The proposed legislation, which was included in an omnibus bill authorizing the Department of Justice for FY2004 through FY2006, consolidates the existing Local Law Enforcement Block Grant with the Byrne Grant Program and creates a new Edward Byrne Memorial Justice Assistance Grant Program. The new measure not only funds all components of the state and local criminal justice system - law enforcement, courts and corrections - but it also greatly expands the authority for prevention and treatment programs and permits funding for planning and evaluation.

NACo sought to change the formula in the legislation regulating the local block grant portion (40 percent) of the funds but the change was just too controversial for a consent calendar measure which requires a two-thirds vote and does not permit any amendments. NACo will actively pursue the formula issue in the Senate. (Contact: Donald Murray 202/942-4239 or dmurray@naco.org) [Back to the top]

Child Care Amendment Passes But TANF Bill Pulled

On March 30, the Senate voted by a vote of 78 to 20 to adopt the Snowe-Dodd child care amendment to the TANF reauthorization bill (H.R. 4), which would have provided $6 billion of additional mandatory funds. NACo strongly supported the amendment and thanks all the county officials who contacted their Senators on this and other potential amendments. The overall bill, however, stalled when the majority was unable to get the 60 votes necessary to invoke cloture and limit debate. Majority Leader Frist then pulled the bill from the floor. The debate centered on whether to allow Democratic amendments on a number of workforce issues, particularly a proposal to increase the minimum wage. The next step for TANF reauthorization is unclear at this time. Earlier this week, the House approved S. 2231, which extends current law through June 30th. (Contact: Marilina Sanz 202/942-4260 or msanz@naco.org) [Back to the top]